

PHILADELPHIA, PA—Congressman Joe Sestak (PA-07) spoke at the Annual Angel Venture Fair held at the Urban League in Philadelphia on April 7, 2009, about the importance of supporting small businesses and their role in overcoming our economic challenges. As Vice Chairman of the House Small Business Committee, Congressman Sestak has fought hard for more support for small businesses and understands the crucial role “angel investors” play in helping get innovative projects off the ground. Experts estimate that “angels” invest billions of dollars in thousands of new ventures every year, and they frequently are the first outside, “arm’s-length” investors that entrepreneurs trying to build their businesses engage. Understanding the strategies, tactics, and experiences of angels is critical because early-stage companies are far more likely to secure angel investment than to secure financing from formal venture capitalists.

“Small business is the engine of our national economy, and small business will be the engine of our recovery,” said Congressman Sestak. “Over the last 10 years, small businesses have created 70 percent of the new jobs in America. That’s why I supported President Obama’s \$15 billion plan to unlock credit for small businesses. As credit has become less accessible during the ongoing recession, small business owners who acted responsibly have been impacted by the imprudent behavior of others in the financial system. Businesses with a reliable credit history have been denied loans because of conditions that have nothing to do with their own actions and are now finding it difficult or impossible to expand their business, make their payments or keep workers on their payrolls.”

Congressman Sestak strongly supported President Obama’s plan to support small businesses. The Administration’s plan implements two critical small business provisions in the American Recovery and Reinvestment Act that Congressman Sestak voted for in February, including temporarily raising guarantees to up to 90 percent in SBA’s 7(a) loan program and eliminating certain SBA loan fees to get credit back into the hands of small businesses and ensure that community banks and credit unions feel confident in extending new loans to local businesses. The plan also calls for new reporting requirements on banks lending to small businesses.

The Recovery Act also includes provisions to infuse the nation’s small businesses—which comprise 99 percent of American industry and employ half of the private sector workforce with billions in new lending and investment. The bill puts fresh capital in the hands of small business owners, which will result in the creation or retention of 400,000 jobs, more than 15 percent of the jobs the economy shed last year; and also targets billions of dollars in tax relief to small businesses, which will also help spur growth.

Congressman Sestak has worked hard to bring federal contracts to small businesses in the 7th District, and he highlighted new figures showing a dramatic increase. In FY2006, small businesses in the District secured just over \$155 m in federal contracts; by FY2008, that figure had risen to more than \$235 m, a 52% increase. Of the total federal contracts in the District in FY2006, only 6.6% went to small businesses; in FY2008, that figure had jumped to 15.6%—an increase of 137% and a great step toward the governments stated goal of 23% of federal contracts going to small businesses.

To help small businesses gain access to government contracting and stimulus funds, on Friday, March 27, 2009, Congressman Sestak hosted the second 7th Congressional District Business Procurement Summit, which drew more than 1,000 participants to the Springfield County Club—fully doubling the 500 attendees originally anticipated. Nearly 60 government agencies and major contractors presented exhibits for more than 900 representatives of local businesses and organizations, and Dr. Mark Zandi, chief economist and co-founder of Moody's Economy.com, and Lt. Gen. Mark Shackelford, USAF, delivered keynote addresses on the Recovery Act and the defense acquisition process. The objective in convening this event was to execute the Congressman's pledge to bring Washington decision-makers to the 7th Congressional District and to see that the views of the constituents of the District are fully integrated in his legislative agenda.

*Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.*

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